

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of:)	
)	
Millennium Telcom, LLC d/b/a OneSource Communications)	CS Docket No. 97-80
)	
Request for Waiver of 47 C.F.R. § 76.1204(a)(1))	CSR-7129-Z
)	
To: Chief, Media Bureau)	

Reply of Millennium Telcom, LLC

I. Introduction and Summary

Millennium Telecom, LLC (“OneSource”) replies to the Consumer Electronics Association’s (“CEA”) Comments¹ on OneSource’s Emergency Petition for Waiver. The Commission should disregard the arguments in CEA’s Comments, which are internally inconsistent and factually incorrect. The Commission must recognize CEA’s Comments for what they are – a thinly-veiled attempt to enrich the \$155 billion consumer electronics industry² at the price of smaller-market consumers.

¹ *Comments of the Consumer Electronics Association on the Millennium Telcom Petition for Waiver of 47 C.F.R. § 76.1204(a)(1)*, CS Docket No. 97-80, CSR-7129-Z (filed Apr. 2, 2007) (“Comments”).

² See *CEA Forecasts Consumer Electronics Revenue Will Surpass \$155 Billion in 2007*, viewed at http://www.ce.org/Press/CurrentNews/press_release_detail.asp?id=11220 on Apr. 12, 2007.

Further, OneSource notes that CEA's Comments were the only comments filed in opposition to its Emergency Petition for Waiver. Other commenters strongly supported OneSource's Emergency Petition for Waiver.³

OneSource addresses the logical inconsistencies and factual inaccuracies in CEA's Comments below.

II. CEA's own Comments prove that there is absolutely no reason to deny OneSource's Emergency Petition for Waiver.

The single articulated goal of the statute underlying the integration ban is to "assure the commercial availability" of navigation devices.⁴ CEA's own Comments confirm that granting OneSource's requested waiver will have no negative affect whatsoever on this goal:

...[S]mall cable operators [like OneSource] have no market influence over the monopoly vendors of digital set-top boxes....Granting a waiver to [OneSource], or even to all small operators, will not create any significant demand for new integrated set-top boxes nor give those operators any additional leverage with vendors....⁵

In other words, CEA itself confirms that (i) granting OneSource's Request for Waiver will have absolutely no adverse effect on the competitive market for navigation devices, and (ii) denying the request will not facilitate competitive entry. In short, CEA's

³ See *Comments of Motorola, Inc.*, CS Docket No. 97-80, CSR-7129-Z (filed Apr. 2, 2007) and *In the Matter of Millennium Telcom, LLC d/b/a OneSource Communications, Comments of the American Cable Association*, CS Docket No. 97-80, CSR-7129-Z (filed Apr. 4, 2007).

⁴ 47 U.S.C. § 549(a).

⁵ *Comments* at 1-2 (emphasis added). Similarly, CEA's lead argument ("[F]urther postponement of common reliance...will undermine Congress's basic intention of creating...a true competitive market for navigation devices") makes no sense in the context of OneSource's *Emergency Petition for Waiver*. If, as CEA itself argues, OneSource has absolutely no influence over the set-top box market, by definition, OneSource's waiver request cannot undermine the creation of a competitive market for navigation devices. See *Comments* at 1.

own Comments demonstrate that there is absolutely no reason - policy or otherwise - to deny OneSource's Emergency Petition for Waiver.

III. CEA's Comments are factually incorrect

CEA argues that "[a]s the [February 17, 2009 DTV transition] applies only to over-the-air broadcasting, cable subscribers will not be affected."⁶ This statement is patently incorrect. After February 17, 2009, cable subscribers with analog television sets will be unable to receive any digital broadcast signals unless they have a digital set-top box like the DCT-700, or the cable operator downconverts the digital signals to lower-quality analog signals. For this reason, it is critical that OneSource receive the requested waiver so that it can complete its digital transition – this is the only way to ensure that all OneSource's customers will receive digital-quality broadcast signals after the DTV transition.⁷

CEA also asserts that "the DCT-700 cannot tune digital broadcast signals, so [OneSource's] contention that a waiver will keep subscribers from losing service in two years does not make sense."⁸ Again, CEA misstates and twists the facts. The DCT-700 is an all-digital set-top box specifically designed to deliver digital signals to subscribers, including digital broadcast signals.⁹ If OneSource cannot continue to use the DCT-700 and complete its digital transition, OneSource will continue to have analog subscribers, and those analog subscribers with analog televisions will lose access to

⁶ *Comments* at 2.

⁸ *Id.*

⁹ See Exhibit 1, specifications for Motorola DCT-700.

digital broadcast signals following the transition.¹⁰ Accordingly, OneSource's requested waiver is critical if its smaller-market consumers are to continue to receive digital-quality broadcast signals after the digital transition.

IV. Conclusion

CEA's Comments rely on an internally inconsistent argument: how can granting a short-term waiver to OneSource "prolong the absence of real competition in the navigation device market"¹¹ when, as CEA itself admits, "small cable operators have no market influence over the monopoly vendors of digital set-top boxes?"¹² Further, CEA's Comments are simply factually incorrect.

When CEA's rhetoric and factual inaccuracies are stripped away, the Commission is left with a behemoth trade association (i) endorsing higher prices for consumers, (ii) impeding the digital transition in smaller markets, and (iii) saddling OneSource with higher costs that will reduce MVPD competition. And why? To raise the price of using an analog television set so that CEA's members can sell more expensive digital TV sets to consumers. The Commission should recognize CEA's Comments for what they are – an attempt to transfer money from the pockets of small-market consumers to the multi-billion dollar consumer electronics industry.

OneSource's Emergency Petition for Waiver shows good cause for the requested

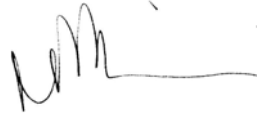
¹⁰ If OneSource received consent from the broadcaster, it could avoid a total loss of the broadcast signal by its analog subscribers if it downconverted the digital broadcast signals to analog, but this would mean that those subscribers would not be receiving the main benefits of the digital transition. Downconversion would also consume a significant amount of bandwidth, which could otherwise be used for new advanced services.

¹¹ *Comments* at 2.

¹² *Comments* at 1.

limited waiver for the DCT-700. OneSource respectfully requests that the Commission grant this requested waiver.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'N. Paolini-Subramanya', with a horizontal line extending to the right.

Nicole E. Paolini-Subramanya
Cinnamon Mueller
307 N. Michigan Avenue
Suite 1020
Chicago, IL 60601

(312) 372-3930

Attorneys for Millennium Telcom, LLC
d/b/a OneSource Communications

April 12, 2007

EXHIBIT 1
SPECIFICATIONS FOR MOTOROLA DCT-700



DCT700 All-Digital Set-top

An interactive digital set-top with small size and big performance.

Motorola's DCT700 provides versatile interactivity in the all-digital network for expanded information and entertainment services.

The Motorola DCT700 is an all-digital set-top that provides you with the advantages of an all-digital network. Digital channels take up less room on your cable TV network. This results in increased "bandwidth" for more channels and services like high-definition TV (HDTV), electronic program guides (EPGs), pay-per-view (PPV), Video on Demand (VOD), and other on-demand information and entertainment services. The DCT700's capabilities are limited only by what your cable service provider offers. If your cable service provider eliminated analog channels in your area and replaced them with "all digital" channels, there would be even more room on the cable network system for additional services such as high-speed data, VOD, and high-definition content.

To decode the data used to transmit the digital channels, a separate set-top is required for each television in the home. The DCT700 provides digital channels to all your TVs through coaxial cable or analog (RCA-type) audio/video jacks.

Check with your local cable service provider for availability of the DCT700 in your area.

HIGHLIGHTS

- Supports services such as EPGs, PPV, and VOD
- Reclaims bandwidth allocated to analog channels
- Compatible with Motorola's award-winning secure MediaCipher® conditional access technology
- Two-way capability to enable interactivity
- Motion picture industry standard for coding and decoding video (MPEG-2)
- AC-3 standard for 5.1 Dolby® Digital Surround Sound

CONNECTEDMOTO



MOTOROLA
intelligence everywhere™



DCT700

All-Digital Set-top



Technical Specifications

STANDARD FEATURES

MPEG-2 Digital Video Processor
ATSC standard Dolby® Digital (AC-3) audio processor
ITU standard 64/256 QAM/FEC/enhanced adaptive equalizer
On-board real-time RF return (256 Kbps)
Bitmapped graphics display (4-/8-bit)
90–860 MHz tuner
DES-Based encryption/DCII access control
Digital diagnostics
Frequency agile 2.048 Mbps out-of-band data receiver
Macrovision® copy protection
IR support for remote control

STANDARD INTERFACES

RF remodulator output (ch. 3, 4)
Baseband video and audio outputs

OPTIONAL FEATURES

Motorola Universal Remote Control (DRC450)

**To view our full line of Connected Home Solutions, visit our Web site at
broadband.motorola.com/consumers**

©Motorola, Inc., 2005. All rights reserved.

MOTOROLA and the Stylized M Logo are registered in the U.S. Patent and Trademark Office. DOCSIS is a registered trademark of Cable Television Laboratories, Inc. MediaCipher is a registered trademark of General Instrument Corporation. Moxi is a trademark of Digeo, Inc. All other product or service names are the property of their respective owners.



CERTIFICATE OF SERVICE

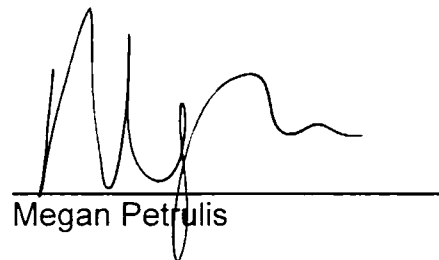
I, Megan Petrulis, paralegal with the law firm of Cinnamon Mueller, certify that a true and correct copy of the *Reply of Millennium Telcom, LLC* was served on the following individuals by first class mail on April 12, 2007:

Julie M. Kearney
Senior Director and Regulatory Counsel
Consumer Electronics Association
2500 Wilson Boulevard
Arlington, VA 22201

Robert S. Schwartz
Mitchell L. Stoltz
Constantine Cannon LLP
1627 Eye Street, N.W., 10th Floor
Washington, D.C. 20006

Matt Polka
American Cable Association
One Parkway Center
Suite 2121
Pittsburgh, PA 15220

Steve B. Sharkey
Director, Spectrum and Standards Strategy
Jason E. Friedrich
Assistant Director, Telecommunications Regulation
Motorola, Inc.
1455 Pennsylvania Avenue, NW
Suite 900
Washington, DC 20004



Megan Petrulis